



CITY OF BRYAN
The Good Life, Texas Style™

March 25, 2010

Ms. Sandra H. Warren, Director
Community Planning and Development Representative
U.S. Department of Housing and Urban Development
Houston Field Office, Region VI
Office of Community Planning & Development
1301 Fannin, Suite 2200
Houston, Texas 77002

Dear Ms. Warren,

Re: Response to Annual Community Assessment Letter for Program Year 2008
Received February 24, 2010

The City is in receipt of the 2008 annual assessment letter for program year 2008. It was extremely thorough and beneficial, as we continue to evaluate our accomplishments annually. We appreciate the timely response.

This letter is written to address the specific concerns outlined in the letter for owner occupied rehabilitation/reconstruction (page 2) and the integrated disbursement and information system (page 3) and provide the U.S. Department of Housing and Urban Development a response to these concerns. It was noted in the first paragraph that the City has a multi-year goal of rehabilitating 5 substandard houses to standard condition, for the 5 year period. For each of the previous reporting years the City has provided additional narrative to indicate the status and progress of this program, including the number of rehabilitations begun in a given year and the number completed. This letter will provide clarification as to why the 5 unit per-year goal was not obtained.

Although each year staff has worked diligently to achieve the 5 year major rehabilitation/reconstruction goal, several hindrances have impeded this level of achievement, including:

- A reduction of CDBG and HOME grant funding allocations totaling over \$609,000 since the 2005-2009 Consolidated Plan was written, nearly an 8% reduction from the 2005 funding level.
- A strong local construction market which has led to continually increasing construction costs. Bryan College Station has a solid local housing market which has limited the number of contractors interested in bidding the City's federally funded projects
- Federal and state-imposed regulatory requirements (HUD and EPA lead based paint laws) that increase the cost of a project by 20 to 30%, and a lack of local (Bryan College Station area) lead based paint remediation and abatement contractors.
- Local municipal insurance and bonding requirements have also impeded the City's ability to attract rehabilitation contractors.

To reach 100% of the 5-year goal for this program, 14 homes would need to be rehabilitated or reconstructed in the current program year. This goal is not obtainable because of the reasons stated above. Reconstruction projects, on average, are \$80,000 with substantial rehabilitations averaging \$55,000-\$65,000.

Currently, staff is continuing to work toward addressing these obstacles. The City's Risk and Purchasing Departments have been consulted to explore the feasibility of reducing insurance and bonding requirements for rehabilitation and reconstruction projects. Initial ground work has been done to facilitate partnering with private non-profits that have the capacity to perform this type of work. Technical assistance has been provided to a Community Housing Development Organization to obtain lead based paint training in order for the organization to adhere to the stringent lead based paint requirements and provide non-profit rehabilitation of pre-1978 homes. In the current year, a substantial amendment to the City's 2007 and 2008 Consolidated Action Plan will be submitted to re-allocate unused HOME administrative funds not only to established HOME programs, but also to a new CHDO Operating Fund Project in order to increase fiscal capacity for these types of projects as well.

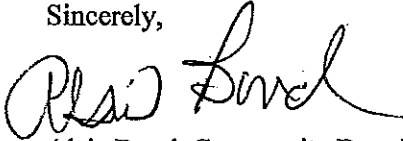
Other non-profit partners which have similar housing programs and goals are being sought, such as the local Brazos Valley Community Action Agency (BVCAA). BVCAA has an adult construction training program which has offered to partner with the City for rehabilitation projects in order to reduce project costs. Developing innovative and creative alternatives is time consuming, however it is anticipated that re-organization of the major rehabilitation/reconstruction program to effectively engage non-profit housing providers will be sufficient to reduce some of these concerns and to meet future new goals for the upcoming 5 Year Consolidated period. Also in the next 5 Year Consolidated Plan, the City is exploring alternative ways to emphasize decentralizing concentrations of low and moderate income households. Throughout the 5 Year Consolidated Planning process input has been sought to identify opportunities to encourage neighborhoods to improve and maintain their housing stock. The city is working to engage neighborhood associations to participate in further strengthening neighborhood integrity in the City's low and moderate income areas, and to add other holistic components to existing programs.

While the City anticipates that the annual goal of four to five rehabilitation/reconstruction projects will be met in the current year, the number of projects will fall short of the 5-year goal established in the 2005-2009 plan by nine to ten homes. It is not feasible to expect the completion of 14 home rehabilitation projects in the current year to meet 100% of the multi-year goal. It is our understanding that the 5 Year Consolidated Plan is goal-oriented with specific objectives, but the goals and accomplishments are what the City hopes to achieve (as stated in the Con Plan Final Rule, Sec. 91.215), and is only one way to measure the success of the accomplishments of the programs the City offers.

The 2008 annual community assessment letter states on page 3 that the City is not inputting census tract information into the PR03 report in IDIS. In the 2008 program year there were 3 activities (HUD activity 644, 655, and 691) that utilized the national objective of low to moderate income area benefits. All census tract information was inputted into IDIS into the appropriate fields for each of these activities. The PR03 does not print out the detailed census tract information. The PR03 report does indicate on these activities the calculation of the inputted census tract information on the left side of the page. In the future we will input the census tract data into the accomplishment section field in order to meet your request.

In summary, the City will re-evaluate the effectiveness and efficiency of current programs through the current 5 Year Consolidated Planning process, with emphasis on the major rehabilitation/reconstruction program. Future goals will be revised to be feasible and achievable, with thought given to future programmatic, regulatory, and budgetary challenges, but with hopes that additional new program components may be used to effectively revitalize low and moderate income areas. We will continue to work diligently toward the continuous improvement of the City's Community Development programs through community input, partnership with HUD, and the capacity and commitment of our staff.

Sincerely,

A handwritten signature in cursive script, appearing to read "Alsie Bond".

Alsie Bond, Community Development Services Department Manager

cc: Joey Dunn, Deputy City Manager
 Art Roach, Assistant Community Development Manager
 Robert Beck, Community Planning and Development Representative